

Turnbull Hydro, L.L.C

Tiber Montana, L.L.C.

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November 17, 2011

Department of Public Service Regulation
State of Montana
RE: Amendment of ARM 38.5.1902 Pertaining to Qualify Facilities

Dear Commissioners,

This letter is written concerning the proposal to lower the standard QF rates offered to 2 MW maximum. I come from the perspective of small hydropower development and have participated in small hydropower development in Idaho for approximately 20 facilities over the past 25 years; all in the range of 1/2 MW up to 8 MW. I've also participated in the development of two projects in Montana the Tiber facility at 7 MW, the Upper Turnbull facility at 5.4 MW and the Lower Turnbull facility at 7.7 mega watts.

Many more sites primarily associated with irrigation facilities in Montana could be developed. The constraint is no market to aim for. To develop these projects requires a FERC licensing process that takes anywhere from three to six years. Without looking forward to a stable and predictable market for the power it is hard to get excited about going through the onerous FERC process. My recommendation is for hydro facilities that the available QF rates stay at the 10 MW maximum. Currently for example in Idaho the available rates for wind and hydro are different, with hydro staying at 10 MW and wind lower.

Diversified hydro generation disbursed throughout the state is a benefit to the agricultural community.

I recommend for hydro facilities that the current available QF rates be maintained at 10 MW.

Very truly yours,



Ted S. Sorenson, P.E.

Project Engineer for Turnbull Hydro LLC and Tiber Montana LLC

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